GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3993
ANSWERED ON:09.08.2002
CONVICTION RATE AND TAX COLLECTION
PRABHUNATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the amount accrued from the seizures during 1998-99 and 1999-2000 is less than seized during the year 1995-96 despite hike in issue of warrants by the income tax department;

(b) if so, the reasons therefor;

(c) whether the income tax authorities are making undue delay in launching prosecution against the tax eva~s and the rate of acquittal under the Income Tax Act is very high and convictiqn rate is too low; and

(d) if so, the steps taken to accelerate the rate of conviction and to increase the tax collection?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN):

(a) Yes, Sir.

(b) Income Tax Department conducts search and seizure actions every year and seizes incriminating documents and prima facie unaccounted assets which, on completion of assessment of income, are adjusted against the tax levied thereon. Quantum of seizure, which can no be same for every year is, by itself not a precise indicaton of the results of search because undisclosed income i also detected on the basis of seized documents.

(c) and (d) Prosecutions are generally launched afte the disposal of appeals filed against the assessmen orders and penalty orders. There is therefore considerabl time lag between the date of completion of assessmen and the date of launching of prosecution. Instructions hav been issued for speedy disposal of appeals an` processing of the cases carefully for launching 0f prosecution so that the success rate increases. Steps have also been taken for maximisation of collection by way close monitoring, speedy recovery of arrears and effective scrutiny, searches and surveys work.